



BUDGET COMMITTEE



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Senator Gregg's Senate Floor Remarks on the Reid Health Care Bill and Medicare
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(unofficial transcript)

I want to associate myself with the comments of the Senator from Iowa. In fact, I'd like to incorporate them by reference in my statement because they were on point in terms of what this bill does do and does not do. The bill does not accomplish what we set out to do, which was to cover all Americans, which is to bend the cost curve down, and let you keep your insurance if you like it.

It's a \$2.3 trillion increase in health care spending. That's how much it grows the government. Health care costs go up by over \$230 billion in the first 10 years. We know premiums are going up. And now we have this interesting issue involving Medicare.

We've heard a lot of talk from the other side of the aisle about how Medicare's not being cut and if it is being cut, it's just being used to help finance a new entitlement and therefore it should be counted as part of the basic effort to bring fiscal responsibility to this bill. Well, that's hokum. Medicare is cut by almost \$500 billion over the first 10 years; \$1 trillion over the first 10 years of implementation, and then the money's being spent, but not to make Medicare more solvent, not to make Medicare stronger so it doesn't have a huge unfunded liability. It is being spent to create a new entitlement; an entitlement that is going to massively expand the size of government by \$2.3 trillion.

The American people understand this doesn't work. Common sense kicks in. They know from common sense you can't cut Medicare by trillions to pay for a new entitlement and claim that Medicare is better off for it. They don't have to know it through common sense, all they have to do is listen to the Congressional Budget Office (CBO). Let me quote from the letter. It's a devastating letter. I wish this bill would be on the floor long enough for it to be actually open to public view and have sunshine on it. It's being rushed through before Christmas so no one can see what's in it.

Here's what CBO says, the key point is that the savings to the Medicare hospital insurance trust fund under the bill -- they use the acronym for it, HI -- would be received by the government only once so they cannot be set aside to pay for future Medicare spending and at the same time pay for current spending on other parts of the legislation or on other programs. That's exactly what this bill does. It spends the Medicare money on other programs.

They go on to say, and this is CBO speaking, not me: To describe the full amount of the Medicare trust fund, again they use HI trust fund, savings as both adding to the government's ability to pay for future Medicare benefits and financing new spending outside of Medicare would essentially double count -- I repeat -- double count a large share of those savings and thus overstate the improvement in the government's fiscal position.

The simple fact is what's happening here is a scam. Pure and simple, it's a scam on the American people and especially on the seniors in this country. Medicare is being cut by trillions of dollars in order to create a new entitlement and it's going to have a massively negative effect on the fiscal health of this nation. We know that new entitlement won't be fully funded and we know that Medicare has \$38 trillion of unfunded liability out there. And if you're going to cut Medicare by trillions as the other side of the aisle is proposing, if you're going to eliminate Medicare Advantage for a large number of seniors, except those who live in southern Florida, then that money ought to be used to reduce the debt so that the Medicare system becomes more solvent. It's that simple in the long run.

It's not being done here. CBO has pulled the curtain back from this game and made it very clear it's not going to be done. But nobody will learn this. They will pass this bill through here before anybody can figure it out and listen to CBO. You know, it's just an outrage the way this bill was put together. We all know that. Dark of night, back rooms, deals everywhere. Only a few people in the room. Those people that really drafted the bill, it's a very small crowd. Nobody else was allowed in. No cameras, no information about what was going on. And then you bring in a Senator here and there and say, what do you need to get the vote? And then the bill arrived here.

Now it's not unusual to have earmarks and bills. If it was in the budget and the budget is reasonable, I've even asked for earmarks. But this bill goes beyond the concept of earmarks. This bill fundamentally changes policy. That's never happened around here, for one part of the country versus another part of the country. All American seniors will have to live by massive cuts in Medicare Advantage. That's a pretty good health insurance program for a lot of seniors; I think there are 11 million seniors in that program. All of America has to live by that policy except for three counties in southern Florida. All of America has to live by an insurance situation where insurance companies are taxed at a certain rate except insurance companies in Nebraska.

All of America has to live by a Medicaid expansion, which is going to cost the states billions of dollars. It will cost New Hampshire \$120 million over 10 years. Except for Nebraska. And there's a special deal for Vermont and Massachusetts. Louisiana also received an additional \$300 million. That's a total corruption of the concept of policy. Policy in America's supposed to cover everyone. When the federal government acts, it's supposed to be a policy that affects everyone equally. You're not supposed to have a coterie of exceptions.

This bill has been called historic. Excuse me. It's been called historic by my colleagues on the other side of the aisle. The most historic thing about this bill is the fundamental damage it has done to the consent of open, thorough and public debate that was at the heart of the thought process of Adams and Madison, our founding fathers when they created the checks and balance system with the Senate at the center.

The Senate is supposed to be the place where bills come to the floor, they're open to debate, there are amendments, and you have a process where things get aired and there's sunshine. No sunshine here, no, not at all. This is not majority rule as conceived by our founding fathers in Philadelphia. This is closer to the single-state system that we've seen in Europe. The minority is ignored and there are no checks in this process on the autocratic rule of the majority.

And the irony, of course, is that the bill never went through the public's consideration. It never went through committee and it was drafted behind closed doors and it has been on the floor for less than 72 hours. As a result, we were delivered a health care bill that's been corrupted by special interests, especially on the issue of policy, and that is extraordinarily expensive. And has massive expansion in the federal bureaucracy to which if you applied the word reform, you would have to call Bernie Madoff honest. The terms just simply don't apply here.

Unfortunately this bill in its present form, I believe, will lead to fundamental harm to the fiscal health of this nation. There is no question in my mind but that if we load another \$2.3 trillion of costs on to our government, expand our government in this manner, that our children are going to be passed a nation where they have less opportunity than our generation had.

And, further, I don't think it's going to help our people relative to their health care. I think it will lead to a significant contraction of the quality of health care, especially for seniors, but for all Americans as we lose the innovation, the energy for innovation and the resources for innovation. And, as a result, this bill, in my opinion, should be sent back to the drawing board and should be reconsidered.